

CHAPTER 1

NEW MEMBERS

NEW MEMBERS

- 1) County employees are eligible to enter the plan on the first day of the month following completion of the eligibility requirements.
- 2) All new members must complete the Enrollment Form and Beneficiary Designation Form. They should be provided a plan booklet, Investment Booklet, Automated Pension Access Line (APAL) and Ameritas Pension Access On-Line information. The information on the forms must be either typed or printed in ink. The Enrollment Form must contain the following information:
 - (a) Employee's name, address
 - (b) Sex
 - (c) Social Security Number
 - (d) Date of birth
 - (e) Eligibility date
 - (f) Employment (Show the month, day, and year member commenced employment with your county. Employment with any other Nebraska counties should also be shown). Indicate if the service is considered full or part-time.
 - (g) Employer (Name and number of your county)
 - (h) Investment allocations (in 5% increments)
 - (i) Select a four digit personal identification number (PIN). (The PIN is required to access the Automated Pension Access Line and the Ameritas Pension Access On-Line.)
 - (j) Have the member sign the form.
 - (k) Have the form notarized.
 - (l) Submit the white and yellow copies from both forms to the Retirement Office, pink – to the member, goldenrod – to payroll. **This process should not be delayed. The member's account may be jeopardized if this is delayed.**

The Beneficiary Designation Form must contain the following information:

- (a) Employee's beneficiary information - The employee should be advised of the importance of designating a beneficiary and updating the designation as circumstances require. Remind employee's if they wish to have their beneficiaries share equally, they must bracket the names or entities.

DETERMINING ELIGIBILITY

Section 23-2306 (1) specifies the following membership criteria:

- 1) **Mandatory Membership** - All permanent full-time employee who work one half or more of the regularly scheduled work hours during each pay period and have completed 12 months of continuous service within the last five years, must enroll in the County Employees' Retirement System.

Exception: If the employee is a full-time elected official they must join the plan immediately (first pay period) upon taking office. If they are appointed to fill a vacancy in an elective office, they are considered an elected official and must also join the plan immediately.

- 2) **Voluntary Membership** - All part-time employees working less than half of the regularly scheduled work hours during each pay period, may elect voluntary membership after attaining age 25 and completing a total of 12 months of service within a five year period. (This service need not be continuous.) Part-time elected officials may choose voluntary membership upon taking office.

A part-time employee who chooses to join the Retirement System shall remain in the plan until they cease employment with the county.

- 3) **Temporary employees** are not permitted to join the County Retirement System (anyone not considered permanent full-time or part-time).

Important: Prior Nebraska government plan participation may qualify as credit toward eligibility and vesting (see section on vesting credit).

Once membership is elected, members are subject to all provisions of the plan and may not withdraw or cancel participation until ceasing employment.

Exceptions : The following county employees ARE NOT eligible to participate in the plan:

- a) County judges or Clerk Magistrates who are members of the Judges Retirement System
- b) Employees or officials of any county having a population in excess of 150,000 and who have not previously elected coverage under the retirement plan.
- c) Employees of a county hospital operating under the provisions of section 23-343, R.R.S., 1943, whose county board elected

noncoverage prior to December 31, 1977, or elected noncoverage upon becoming a participating county.

- d) County Extension Agents and members of their staff who are eligible for participation in either federal or the University of Nebraska retirement plan.
- e) Persons eligible for membership in the Nebraska School or State Employees' Retirement Systems.

Note: An employee with two separate, distinct jobs may be covered by more than one retirement plan if the plan requirements are different for each position.

- 4) County employees who are employed in more than one county must have the following:
 - a) An Enrollment form from each county.
 - b) The eligibility date for vesting is the date where the first employment began. (In other words, use the oldest eligibility date).
 - c) When the employee quits in only one of the counties, they do not complete a Request for disbursement form. Their accounts are transferred to the county where they remain employed.

ELIGIBILITY EXAMPLES FOR MANDATORY PARTICIPATION

The examples shown below are designed to assist you in determining the eligibility of new employees.

- 1) Employee is hired by the county on 7/6/98. Employee works one half or more of the regularly scheduled hours per week. Eligible for plan participation is 8/1/99.
- 2) Elected official dies while in office, or resigns office. The person selected to fill the vacated office (either by appointment by the county board or special election) is eligible upon taking office. Employment requirements do not pertain to elected officials.
- 3) Employee is hired by the county on 9/3/98. The employee will be working one half or more of the regularly scheduled hours per week. Previously employed by another county from 5/1/93 to 10/13/95. Eligible for plan participation effective 9/3/98.

EXAMPLES FOR VOLUNTARY PARTICIPATION

Part-time permanent employees It is the responsibility of each county to advise all employees working less than one half of the regularly scheduled hours per pay period, or on a seasonal basis, that they may elect voluntary participation in the retirement plan when they have been employed a **total** of 12 months, and have attained the age of 25.

Seasonal employees cannot be temporary but must be classified as permanent part-time to be eligible.

The employees may elect voluntary participation anytime after completing 12 total months of employment. Those employees electing voluntary participation will remain members of the retirement plan until they have completely severed their working relationship with the county.

We recommend you notify the employee in writing of his/her option to join the plan and that the employee indicate his/her choice in writing. If the employee declines membership, keep their written statement on file should a question arise in the future.

ELIGIBILITY EXAMPLES:

The examples shown below are designed to aid you in determining eligibility of employees for voluntary participation. Voluntary participation may be elected by any permanent employee who has attained the age of 25 and completed a total of 12 months service. The service is cumulative rather than continuous.

1) Employee was hired on 3/2/98. Date of birth is 7/8/74. Employee works less than one-half of the regularly scheduled hours per week. Eligible for voluntary participation effective 8/1/99.

2) Employee is hired as a part time employee and works as follows:

6/7/97 - 11/4/97

4/3/98 - 8/30/98

4/2/99 - Still employed

The employee would be eligible for voluntary participation effective 7/1/99.

3) Employees' date of birth is 5/4/62. Completes a total of 12 months of county employment on 8/2/97. Employee elects voluntary membership on 8/10/97. Unless specifically state otherwise, eligibility date would be established by the employer as 9/1/97, with contributions being withheld and reported for the month of 9/97.

STARTING CONTRIBUTIONS

Participants of the Nebraska County Employees' Retirement System contribute 4% of their eligible compensation. Compensation is defined in Section 23-2301 (1) as:

“...gross wages or salaries payable to the member for personal services performed during the plan year. Compensation does not include insurance premiums converted into cash payments, reimbursement for expenses incurred, fringe benefits, or bonuses for services not actually rendered, including but not limited to, early retirement inducements, cash awards, and severance pay, except for retroactive salary payments paid pursuant to court order, arbitration, or litigation and grievance settlements. Compensation includes overtime pay, member retirement contributions and amounts contributed by the member to plans under sections 125, 403(b), and 457 of the Internal Revenue Code or any other section of the code which defers or excludes such amounts from income.

It is your responsibility as the County Clerk to ensure that contributions to the retirement plan commence within the first pay period following the effective date of enrollment. If contributions are not received at the proper time, the county and the employee **must** make up the late contributions.

ALL CONTRIBUTIONS MADE AFTER 1/1/85 ARE TAX-SHELTERED. THEY WILL BE TAXABLE TO THE EMPLOYEE WHEN BENEFIT PAYMENT IS MADE FROM THE SYSTEM.

LATE ENROLLMENT

- 1) If an employee, qualifying for mandatory membership should have been enrolled earlier, that employee **must** make up the missed contributions. Contributions may be made in a lump sum payment by the employee or the employee may elect to make up the missed contributions over a period not to exceed four times the period which contributions were missed, up to a maximum of 60 months. In either case, the payments **must** be made through payroll deduction with additional contributions being remitted with regular contributions for the pay period.
- 2) The county is required by law to appropriate the employer matching funds for the employee to make up contributions. The Retirement Office must approve the proposed repayment schedule in advance.
- 3) The county must put in writing an explanation of how or why the contributions were missed, the number of contributions missed, the contribution amount, the salary for each time period, the county match on each missed contribution and over what time period the contributions will be repaid. The letter must be signed by both the County Clerk and the member.
- 4) An employee electing to join the plan under voluntary membership is not permitted to makeup contributions unless it can be proven the county was in error by not starting the deductions at the proper time.

NOTE: Please refer to the “Remittance” chapter on how to report make up contributions to the Retirement Office.

INVESTMENT OF CONTRIBUTIONS

The employee has the option and right to designate how his/her employee contributions are invested. They may be invested in the following:

Stable Fund (10)	International Stock Fund (17)
Money Market Fund (13)	Lg. Co. Growth Stock Index (19)
Bond Market Index (18)	Lg. Co. Value Stock Index (20)
S&P 500 Stock Index (15)	Moderate Pre-mixed Fund (23)
Small Co. Stock Fund (16)	Conservative Pre-mixed Fund (21)
	Aggressive Pre-mixed Fund (22)

Due to the passage of LB687, employees now have the option of directing the employer account into one of three premixed funds, they are as follows:

Employer Moderate Fund (09)
Employer Conservative Fund (07)
Employer Aggressive Fund (08)

Contributions may be invested in one or a combination of the funds, in increments of 5%, but must total 100%.

If the investment election does not total 100%, any unallocated amounts of the employee's contributions will be defaulted to the Stable Fund.

As their employer, it is your responsibility to provide an employee with an investment brochure. These brochures are available from the Retirement Office. We recommend that brochures be provided at the same time the Enrollment Form is given to the employee.

If the employee wishes to change the manner in which his/her contributions are being invested or transfer funds between the accounts, they may do so by using the Automated Pension Access Line (APAL) at Ameritas or the Ameritas Pension Access On-Line. Both will require the member's PIN. For additional information regarding these changes, please refer to the "Changes" section of this manual.

All questions regarding Investment fund details, market analysis etc., should be directed to Sterling Financial Advisors @ 1-877-970-9300 or in Omaha 970-9393.